

## Standard & Poor's

### **Georgia Extended Assets Pool Rated 'AAAf'/'S1'**

Peter Rizzo, New York (1) 212-438-5059

NEW YORK (Standard & Poor's CreditWire) Nov. 9, 2000-- Standard & Poor's today assigned its 'AAAf' credit rating and 'S1' volatility rating to the Georgia Extended Asset Pool.

Standard & Poor's 'AAAf' credit rating indicates the pool's portfolio holdings and counterparties provide extremely strong protection against losses from credit defaults. Standard & Poor's 'S1' volatility rating indicates the pool's low sensitivity to changing market conditions and is based on the fund's conservative investment policies, tight maturity restrictions, and low historical risk profile.

These ratings, which are the result of a comprehensive analysis of the pool's investment holdings, strategies, historical return volatility, and management, signify that the fund possesses an aggregate level of risk that is less than or equal to that of a portfolio of government securities maturing within one to three years.

The Georgia Extended Asset Pool (GEAP) commenced operations on July 1, 2000 with \$700 million of funds from the State of Georgia and a starting unit value of \$2.00 per share. Established as a second investment option for municipalities within the state that have longer-term investment needs, GEAP is only available to those local governments and public entities that have core deposits or reserves available for investment periods of one year or longer and maintain minimum account balances of \$1,000,000 or more.

The portfolio, comprised of longer-dated securities, is a variable NAV fund, as the value of shares will fluctuate with changes in market conditions. The primary objective of GEAP is the prudent management of public funds on behalf of the state and local governments throughout Georgia. GEAP was designed for those investors seeking taxable income higher than money market rates who are willing to accept price fluctuations.

The state's primary pooled investment vehicle, Georgia Fund 1, was established in 1983 and has been rated triple-'Am' by Standard & Poor's since June 19, 1995. Fund 1 aims to provide its shareholders a stable net asset value and maintains a weighted average portfolio maturity of 60 days or less.

The Office of Treasury and Fiscal Services (OTFS) assumes the daily responsibility of managing the assets of the pool. Mellon Bank serves as the custodian for pool assets. The OTFS is divided between two primary operating divisions: the Investment & Cash Management Division and the Accounting Division. The State of Georgia has hired an independent third party bank, Mellon Bank, to perform custody and evaluation services. Additionally, OTFS has contracted with an outside investment management team, Atlanta Capital Management, to provide investment management consulting services.

GEAP invests in U.S. Treasury Bills, U.S. Treasury Notes, securities issued by federal agencies and instrumentalities, bankers' acceptances and repurchase agreements with highly rated counterparties. The maximum final maturity of any security purchased by the pool is limited to five years. The duration of the pool will be managed between 6 and 18 months. GEAP's credit quality is excellent as its portfolio is composed of U.S. government and agency securities as well as bank securities rated in the highest category by Standard & Poor's. Because of the high credit quality of the portfolio's assets and eligible investments, the fund carries Standard & Poor's highest credit rating of 'AAAf'. -- CreditWire